

**CONFIDENTIAL**

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**SECRET**

Security Info:

NOV 3 1953

MEMORANDUM FOR: Chief of Administration,  
Office of the Deputy Director (Plans)

SUBJECT : Additional Financial Security for Hazardous Operations

REFERENCES : a. Memorandum for DD/A, dated 24 June 1953, from Acting  
Chief, Technical Operations, TSS.  
b. Memorandum for DD/A, dated 7 July 1953, from Chief of  
Administration, DD/P.

1. The referenced memoranda were referred to the Office of the General Counsel for comment. The comments of that Office are incorporated in the attached memorandum to the Acting Deputy Director (Administration), dated 23 October 1953. In substance they conclude that to establish an Agency-wide policy of reimbursing for voided commercial insurance would require specific legislative authority.

2. This subject is of serious concern and I believe the Agency should give careful consideration to all possible methods of devising solutions. The deliberations and final recommendations of the Insurance Task Force will be pertinent in this regard since one of their principal agenda items concerns this specific problem. It is noted in the General Counsel's opinion that the Agency's inability to step into this type of situation does not stem from lack of authority to spend funds, rather the disability stems from the effect such a payment would have on the payments due to a beneficiary under the Federal Employees Compensation Act. That law requires an offset against any payments under the Act where beneficiaries have received payments from Government funds as a result of death of the employee.

3. The General Counsel's memorandum indicates that there are no basic problems in connection with securing benefits from the Bureau of Employees Compensation. Hazardous duty, and death or injury resulting therefrom does not affect the coverage of the Act. The criteria is whether the death or injury was incurred in the performance of officially assigned duties.

4. I see no alternative at this time but to await the conclusions of the Insurance Task Force unless the Agency is confronted with a particularly unique and compelling situation. In such a case it is possible that a specific solution may be found.

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3 Attachments:

1 - Ref. a.

2 - Ref. b.

3 - Memo from General Counsel  
dated 23 October 1953

L. K. WHITE  
Acting Deputy Director  
(Administration)

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